

STATE: MINNESOTA
Effective: July 1, 1988
TN: 88-69
Approved: 5/29/89
Supersedes: 88-26

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Background:

Out of State Rates

1988 Session Laws amended Minnesota Statutes to establish MA payment rates to out of state local trade area hospitals and to pay specialized out of state hospitals whose patients are referred at a rate that is more aligned with the services that are provided.

State Plan Effect:

The implementation of this law does not result in a significant change to the methods and standards for determining payment rates for inpatient hospital services. There is no effect, as the state agency currently pays these local trade facilities based on average rates and this may either be high or low for an individual hospital as compared to the rate setting methodology of hospital specific base rates. There is also no effect resulting from changes to the non-Minnesota and non-Minnesota local trade area rate methodology as the number of cases is minimal. This approximates five to ten cases per year.

The state agency continues to provide that the requirements of 42 CFR, Part 447, subpart C, are met as outlined by pages 14-20 of Attachment 4.19-A. This amends State Plan Supplement 6 to Attachment 4.19-A: Minnesota Statutes, Section 256.969, as cited below. In addition, this supplement supersedes Part 9500.1130 of State Plan Supplement 1 to Attachment 4.19-A: Minnesota Rules, Parts 9500.1090 to 9500.1155.

Amended Statute:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3, is amended to read:

Subd. 3. [SPECIAL CONSIDERATIONS.] (a) In determining the rate the commissioner of human services will take into consideration whether the following circumstances exist:

(e) Out-of-state hospitals that are located within a Minnesota local trade area shall have rates

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Amended Statute:

established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule and hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

(f) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have rates established as provided in paragraph (e) or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not be affected by negotiated rates.